Non-consolidated Financial Statements of

THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Year ended March 31, 2024

THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

March 31, 2024

Contents

Independent Auditor's Report

To the National Board of Directors and Members of
The Canadian National Institute for the Blind

Opinion

We have audited the non-consolidated financial statements of The Canadian National Institute for the Blind ("CNIB"), which comprise the non-consolidated statement of financial position as at March 31, 2024, and the non-consolidated statement of operations, non-consolidated statement of changes in net assets and non-consolidated statement of cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "non-consolidated financial statements").

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of CNIB as at March 31, 2024, and its non-consolidated results of operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the non-consolidated financial statements* section of our report. We are independent of CNIB in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management and those charged with governance for the non-consolidated financial statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing CNIB's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate CNIB or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CNIB's financial reporting process.

Auditor's responsibilities for the audit of the non-consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CNIB's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CNIB's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CNIB to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of CNIB to express an opinion on the non-consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Toronto, Canada
June 15, 2024

Chartered Professional Accountants
Licensed Public Accountants

THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Non-consolidated Statement of Financial Position
(In thousands of dollars)
As at March 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	$ 5,116	$ 7,578
Accounts receivable	1,483	2,888
Contributions receivable	5,258	2,512
Prepaid expenses	1,407	1,648
Due from related organizations (notes 12 and 13)	666	120
Inventories and supplies	1,030	993
Total current assets	14,960	15,739
Investments - general (note 3)	49,502	46,784
Investments - endowments (note 3)	16,194	13,094
Capital assets (note 4)	29,279	28,118
Total assets	$ 109,935	$ 103,735

THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Non-consolidated Statement of Financial Position (continued)
(In thousands of dollars)
As at March 31, 2024, with comparative information for 2023

	2024	2023
Liabilities and net assets		
Current liabilities		
Bank indebtedness (note 17)	$ 2,549	$ -
Revolving term loan (note 5)	282	2,835
Accounts payable and accrued liabilities	10,405	8,520
Deferred gain on sale of capital assets (note 7)	1,086	1,086
Total current liabilities	14,322	12,441
Revolving term loan (note 5)	2,317	-
Accrued pension liability (note 6)	1,390	2,621
Deferred gain on sale of capital assets (note 7)	2,198	3,284
Deferred contributions:		
Expenses of future periods (note 8)	14,594	15,218
Capital assets (note 9)	7,441	7,194
Total long-term liabilities	27,940	28,317
Total liabilities	42,262	40,758
Net assets:		
Endowments (note 10)	13,778	13,163
Internally restricted reserve (note 11)	49,244	45,929
Unrestricted	4,651	3,885
Total net assets	67,673	62,977
Total liabilities and net assets	$ 109,935	$ 103,735

Subsequent event (note 6)
Commitments (note 18)

See accompanying notes to the non-consolidated financial statements.

On behalf of the Board of Directors:

K. Montgomery

Chair, Board of Directors

Chair, Audit Committee

THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Non-consolidated Statement of Operations
(In thousands of dollars)
Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Support from the public (note 14)	$ 46,937	$ 44,631
Government funding towards programs and services	8,999	8,013
Retail lottery and gaming operations	11,494	9,802
Leasing revenue	2,515	2,613
Fees for service	4,251	4,964
Product sales	5,129	5,012
Beyond Print production service	3,461	4,041
Recognition of deferred capital contributions	662	1,472
Other revenue	54	67
Gain on sale of capital assets (notes 4 and 7)	1,385	1,086
Revenue before investments	84,887	81,701
Expenses (note 15):		
Community programs	34,365	31,517
National signature programs	20,367	16,998
Supporting other blindness organizations	3,416	3,186
Program delivery	58,148	51,701
Other:		
Fund development (note 19)	15,079	14,305
Retail lottery and gaming operations	8,291	7,777
Business support services	6,545	5,681
Expenses before investments	88,063	79,464
Excess (deficiency) of revenue over expenses before investment income	(3,176)	2,237
Investment income	5,816	1,309
Excess of revenue over expenses	$ 2,640	$ 3,546

See accompanying notes to the non-consolidated financial statements.

Non-consolidated Statement of Changes in Net Assets
(In thousands of dollars)
Year ended March 31, 2024, with comparative information for 2023

	Unrestricted	Internally restricted reserve	Endowments	2024	2023
		(note 11)	(note 10)		
Net assets, beginning of year	$ 3,885	$ 45,929	$ 13,163	$ 62,977	$ 55,272
Excess of revenue over expenses	2,640	-	-	2,640	3,546
Interfund transfer (note 11)	(3,315)	3,315	-	-	-
Endowment contributions (note 10)	-	-	615	615	1,851
Pension plan remeasurement (note 6)	1,441	-	-	1,441	2,308
Net change	766	3,315	615	4,696	7,705
Net assets, end of year	$ 4,651	$ 49,244	$ 13,778	$ 67,673	$ 62,977

See accompanying notes to the non-consolidated financial statements.

THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Non-consolidated Statement of Cash Flows
(In thousands of dollars)
Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in)		
Operating activities:		
Excess of revenue over expenses	$ 2,640	$ 3,546
Items not involving cash:		
Change in fair value of investments	(7,387)	(1,532)
Amortization of capital assets	2,164	2,237
Recognition of deferred contributions related to capital assets (note 9)	(662)	(1,472)
Gain on sale of capital assets (notes 4 and 7)	(1,385)	(1,086)
Loss on disposal of capital assets	-	42
Defined benefit pension expense (note 6)	944	1,261
Defined benefit pension employer contributions (note 6)	(734)	(862)
Net change in non-cash working capital (note 16)	488	669
Total operating activities	(3,932)	2,803
Financing activities:		
Repayment of revolving term loan (note 5)	(236)	(87)
Endowments (note 10)	616	1,636
Total financing activities	380	1,549
Investing activities:		
Proceeds from sale of capital assets	378	-
Purchase of investments	(859)	-
Proceeds from sale of investments	2,428	-
Purchase of capital assets	(3,406)	(4,423)
Total investing activities	(1,459)	(4,423)
Net decrease in cash	(5,011)	(71)
Cash position, beginning of year	7,578	7,649
Cash position, end of year	$ 2,567	$ 7,578
Cash position comprises of the following:		
Cash	$ 5,116	$ 7,578
Bank indebtedness	(2,549)	-
	$ 2,567	$ 7,578

See accompanying notes to the non-consolidated financial statements.

1. Purpose of the organization:

The Canadian National Institute for the Blind ("CNIB") was incorporated on March 30, 1918 by Letters Patent under the *Companies Amendment Act* of 1917, and in September 2013 continued under the *Canada Not-for-profit Corporations Act*. CNIB's mission is to change what it is to be blind through innovative programs and powerful advocacy that enable Canadians impacted by blindness to live the lives they choose. CNIB is registered as a charitable organization under the *Income Tax Act* (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the *Income Tax Act* (Canada) are met.

Effective April 1, 2018 CNIB transferred certain operations, representing government funded rehabilitation and deafblind programs, to two newly incorporated entities: Vision Loss Rehabilitation Canada ("VLRC") and Deafblind Community Services ("DBCS"). Further information can be found in notes 12 and 13.

2. Significant accounting policies:

These non-consolidated financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

(a) Revenue recognition:

CNIB follows the deferral method of accounting for contributions, which include support from the public and government support.

Externally restricted contributions, other than endowments, are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and recognized as revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Endowment contributions are recognized as direct increases in net assets in the year in which they are received.

2. Significant accounting policies (continued):

(a) Revenue recognition (continued):

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from investments includes the realized gains or losses from the sale of units of CNIB's managed investment funds, as well as interest revenue and unrealized gains or losses for the year. Restricted investment revenue is recognized as revenue in the year in which the related expenses are recognized.

Unrestricted investment revenue, including realized and unrealized gains or losses, is recognized as revenue when earned and is transferred to the internally restricted reserve.

Realized and unrealized investment revenues from the endowment investment pool are recognized in deferred contributions – expenses of future periods as incurred and are drawn down as endowment restrictions are honoured. The change in unrealized investment revenue is presented separately as a single line in the deferred contributions – expenses of future periods continuity schedule, as observed in note 8.

Incidental rent revenue and related operating costs associated with renting excess capacity in CNIB facilities are reported as rent revenue and other costs within unrestricted net assets.

Revenue from fees for service and sale of consumer products and assistive technology are recognized when the services are provided or the goods are sold.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. All other financial instruments are subsequently measured at cost or amortized cost unless management has elected to carry the instruments at fair value. CNIB has elected to carry its investments at fair value. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

2. Significant accounting policies (continued):

(b) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, CNIB determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset, or the amount CNIB expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Inventories and supplies:

Inventories and supplies are recorded at the lower of cost on a first-in, first-out basis, and net realizable value.

(d) Capital assets:

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Assets are amortized over the estimated useful lives. If a capital asset no longer contributes to CNIB's ability to provide services, its carrying amount is written down to its fair value or replacement cost, and an impairment is recognized as an expense in the non-consolidated statement of operations.

Capital assets are amortized on a straight-line basis over their expected useful lives as follows:

Buildings	40 years
Computer equipment and software	3 to 7 years
Vehicles	3 to 4 years
Furniture and office equipment	4 years
Leasehold improvements	Over term of lease

2. Significant accounting policies (continued):

(e) Contributed services:

CNIB benefits from substantial services in the form of volunteer time to fulfill its mission. Because of the difficulty of determining the fair value, contributed services are not recognized in the non-consolidated financial statements.

(f) Employee future benefits:

CNIB administers the Pension Plan for employees of CNIB, VLRC and DBCS. The plan has a defined benefit provision and a defined contribution provision. Employees with greater than three months of service are eligible to join the defined contribution provision, while the defined benefit provision was closed to new entrants effective June 2010. The benefits of the defined benefit provision are based on years of service, years of contributions and final average earnings. The defined benefit provision includes the basic plan and excess benefits plans.

CNIB does not provide any significant non-pension, post-retirement benefits.

CNIB uses the immediate recognition approach to account for its defined benefit provision. CNIB accrues its obligations under the defined benefit provision as employees render the services necessary to earn the pension benefits.

The actuarial determination of the accrued benefit obligation for pensions uses the projected benefit method prorated on service, which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees, and other actuarial factors.

The most recent actuarial valuation of the benefit provision for funding purposes was as of December 31, 2022, and the next required valuation will be as of December 31, 2025, and once completed will be filed in the normal course. The accrued benefit obligation is determined using a roll-forward technique to estimate the accrued benefit provision from the most recent actuarial valuation.

2. Significant accounting policies (continued):

(f) Employee future benefits (continued):

Actuarial gains (losses) on plan assets arise from the difference between the actual return on plan assets for a period and the expected return on plan assets for that period. For the purpose of calculating the expected return on plan assets, the assets are valued at fair value. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience, and from changes in the actuarial assumptions used to determine the accrued benefit obligation.

The cost of the defined contribution provision is based on percentage of the employee’s pensionable earnings.

(g) Allocation of expenses:

CNIB classifies expenses on the non-consolidated statement of operations by function. General support expenses are allocated by identifying the appropriate drivers such as operational activities and square footage, and applying these methods consistently (note 15).

(h) Use of estimates:

The preparation of non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the non-consolidated financial statements, and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount and useful lives of capital assets, accrued liabilities and obligations related to employee future benefits. Actual results could differ from these estimates.

(In thousands of dollars except as noted)

3. Investments:

General	2024	2023
Canadian fixed income securities and cash	$ 14,830	$ 13,127
Canadian equities	45	260
U.S. and global equities	31,891	29,805
Alternatives	2,736	3,592
Total	$ 49,502	$ 46,784

Endowments	2024	2023
Canadian fixed income securities and cash	$ 4,664	$ 3,648
U.S. and global equities	10,702	8,332
Alternatives	828	1,114
Total	$ 16,194	$ 13,094

Included in general investments are $49,244 (2023 - $45,929) held to fund the internally restricted reserve (note 11).

The table below applies to both general and endowment investment funds.

	Average term to maturity 2024	Average effective yield 2024	Average term to maturity 2023	Average effective yield 2023
Canadian fixed income	2.8 years	4.4%	2.9 years	4.5%
Fixed income securities held within pooled funds	7.5 years	7.4%	8.4 years	8.1%

(In thousands of dollars except as noted)

4. Capital assets:

	Cost	Accumulated amortization	Net book value 2024	Net book value 2023
Land	$ 10,159	$ -	$ 10,159	$ 10,240
Buildings and leasehold improvements	32,718	17,581	15,137	13,102
Computer equipment and software	7,432	5,867	1,565	1,768
Vehicles	1,288	1,125	163	85
Furniture and office equipment	2,992	2,903	89	133
Construction-in-progress	2,166	-	2,166	2,790
Total	$ 56,755	$ 27,476	$ 29,279	$ 28,118

During the year, CNIB sold its location in Brandon, Manitoba with a net book value of $129 resulting in a gain on sale of capital assets of $288.

5. Long-term debt:

The revolving term loan, authorized to a maximum of $10 million, is secured by a first fixed charge over properties located in Muskoka, Ontario; Winnipeg, Manitoba; Ottawa, Ontario; and Kingston, Ontario. The line of credit is available by way of non-revolving loans at the bank's prime rate plus 0.25% and/or bankers' acceptances at a rate of 2.00%.

The principal may be drawn, repaid, or redrawn at any time. Drawdown advances are repayable in monthly instalments based on an amortization period of 20 years with the remaining balance due at the end of the term, which is July 2026 subject to renewal. The interest expense on the term loan for the year was $167 (2023 - $154).

(In thousands of dollars except as noted)

5. Long-term debt (continued):

Future principal repayments required on the revolving term loan are as follows:

2025	$ 282
2026	283
2027	283
2028	283
2029	283
Thereafter	1,185
Total	$ 2,599

The revolving term loan contains two financial covenants. As at March 31, 2024, CNIB is in compliance with these covenants.

6. Accrued pension liability:

The accrued pension liability represents the accrued provision obligation in excess of the fair value of the plan assets.

	2024	2023
Accrued pension obligation	$ 113,495	$ 112,738
Fair value of plan assets	112,105	110,117
Accrued benefit liability	$ 1,390	$ 2,621

Plan assets consist of investments in pooled funds.

(In thousands of dollars except as noted)

6. Accrued pension liability (continued):

The change in the accrued benefit liability during the year is calculated as follows:

	2024	2023
Balance, beginning of year	$ 2,621	$ 4,530
Employer contributions	(734)	(862)
Remeasurement recorded in the non-consolidated statement of changes in net assets	(1,441)	(2,308)
Defined benefit provision expense for the current year was as follows:		
Current service cost	792	1,029
Interest	152	232
Net pension service cost	944	1,261
Balance, end of year	$ 1,390	$ 2,621

The significant actuarial assumptions adopted in measuring CNIB's accrued pension asset are as follows:

	Basic 2024	SERP 2024	Basic 2023	SERP 2023
Accrued benefit obligation:				
Discount rate	6.70%	4.85%	6.70%	5.03%
Rate of compensation increase	2.25%	2.25%	2.25%	2.25%
Benefits costs:				
Discount rate	6.70%	5.03%	5.55%	4.26%
Rate of compensation increase	2.25%	2.25%	2.25%	2.25%

CNIB's defined contribution provision expense for the current year was $845 (2023 - $740).

(In thousands of dollars except as noted)

6. Accrued pension liability (continued):

On May 16, 2024, subsequent to year-end, CNIB entered into an agreement to purchase an annuity buy-out contract, which will transfer certain pension liabilities to a third party. This transaction aims to reduce CNIB's pension liabilities for retired employees and future financial statement volatility associated with pension funding requirements. The cost of the annuity contract is $63,129 and was paid on May 30, 2024. The effects of the annuity buy-out will be recognized in the non-consolidated financial statements for the period ending March 31, 2025.

7. Deferred gain on sale of capital assets:

Concurrently with the sale of the CNIB Centre in April 2017, CNIB entered into a 10-year leaseback agreement with the purchaser for 72,344 square feet of the CNIB Centre resulting in a deferral of $10.9 million of the gain to be recognized on a straight-line basis over the term of the lease. $1.1 million (2023 - $1.1 million) of the deferred gain was recognized and included in gain on sale of capital assets resulting in an unamortized gain of $3,284 (2023 - $4,370).

8. Deferred contributions – expenses of future periods:

Deferred contributions are related to the funding of expenses of future periods and represent unspent, externally restricted contributions including funding related to endowments of $2,321 (2023 - $1,180).

Changes in the deferred contributions – expenses of future periods balance are as follows:

	2024	2023
Balance, beginning of year	$ 15,218	$ 17,020
Add:		
Amounts received in the year	19,211	16,485
Less:		
Amounts recognized as revenue in the year	(20,222)	(17,843)
Amounts transferred to deferred contributions - capital assets (note 9)	(909)	(303)
Amounts transferred to endowments	-	(215)
Investment market fluctuation	1,296	74
Balance, end of year	$ 14,594	$ 15,218

(In thousands of dollars except as noted)

9. Deferred contributions - capital assets:

Deferred contributions related to capital assets represent the unamortized amount of restricted contributions received for the purchase of capital assets.

Changes in the deferred contributions – capital assets balance are as follows:

	2024	2023
Balance, beginning of year	$ 7,194	$ 8,363
Add:		
Amounts transferred from deferred contributions - expenses of future periods (note 8)	909	303
Less:		
Amounts recognized as revenue in the year	(662)	(1,472)
Balance, end of year	$ 7,441	$ 7,194

10. Endowments:

CNIB has received a number of externally restricted contributions established as endowments where the principal amounts are preserved and only net investment returns are available to be used for the intended purposes.

(In thousands of dollars except as noted)

11. Internally restricted reserve:

The following schedule summarizes the activity within the internally restricted reserve:

	2024	2023
Balance, beginning of year:	$ 45,929	$ 48,217
Transfers:		
Investment revenue	5,515	1,027
Inter-fund transfer to unrestricted	(2,200)	(3,315)
Balance, end of year	$ 49,244	$ 45,929

The Board of Directors has designated certain net assets as an internally restricted reserve~~.~~

The internally restricted reserve is increased annually by an amount equal to the investment revenue earned by CNIB on the investment specifically restricted to fund the reserve. Approval of the Board of Directors is required for any use of the internally restricted reserve.

12. Related party transactions:

CNIB agrees to perform financial management and administrative functions on behalf of VLRC and DBCS. The administration costs are estimates based on actual costs of finance, information technology, human resources and other costs required to operate the entity in a cost-efficient manner.

(In thousands of dollars except as noted)

12. Related party transactions (continued):

All intercompany transactions are measured at the exchange amount of consideration established and agreed to by the related organizations and are within the normal course of operations. The amounts due from VLRC and DBCS are non-interest bearing and have no specified terms of repayment.

These non-consolidated statements of CNIB include the following amounts with respect to the controlled not-for-profit entities.

Rehabilitation and deafblind services	2024	2023
Revenue earned by CNIB:		
Support from the public	$ 4	$ 21
Government support	463	242
Rent	1,153	1,298
Fee for service	3,359	3,815
Total revenue	4,979	5,376
Expenses incurred by CNIB:		
Professional fees	1,496	1,265
Occupancy	1,153	1,298
Support services	2,930	3,413
Total expenses	5,579	5,976
Deficiency of revenue over expenses	$ (600)	$ (600)

13. Controlled and related not-for-profit entities:

VLRC and DBCS operate with an independent Board of Directors. CNIB monitors the activities of the entities as the sole member and remains contingently liable for certain obligations of VLRC and DBCS. These entities deliver government funded programs as an agent of CNIB and for the government programs they receive funding from directly.

(In thousands of dollars except as noted)

13. Controlled and related not-for-profit entities (continued):

(a) VLRC:

VLRC was incorporated on May 10, 2017 under the *Canada Not-for-profit Corporations Act* by the issuance of a Certificate of Incorporation by the federal government through Corporations Canada. VLRC is the leading national provider of rehabilitation services; children and family services; and career and employment services for people who are blind or who have experienced a significant vision loss. Low vision and blindness can limit a child's incidental learning and development. VLRC's early interventionists work with children, families, and community partners to address concerns and support success throughout childhood. VLRC also provides a wide range of programs to help clients gain the skills they need to prepare for the workforce and VLRC's rehabilitation services enable Canadians to develop or acquire the skills they need to achieve their goals. VLRC is a registered charity under the *Income Tax Act* (Canada) and is exempt from income taxes, provided certain requirements of the *Income Tax Act* (Canada) are met.

The following is a summary of the financial statements of VLRC:

	2024	2023
Statement of financial position		
Assets	$ 7,041	$ 5,735
Liabilities	4,703	3,927
Net assets	$ 2,338	$ 1,808
Statement of operations		
Revenue	$ 32,647	$ 31,714
Expenses	32,244	31,532
Excess of revenue over expenses	$ 403	$ 182
Statement of cash flows		
Cash provided by (used in) operating activities	$ 1,204	$ (957)
Net cash position	$ 4,460	$ 3,256

13. Controlled and related not-for-profit entities (continued):

(a) VLRC (continued):

CNIB charged administrative services to VLRC amounting to $2,200 (2023 - $2,709), in accordance with the corporate services agreement.

CNIB charged occupancy costs to VLRC amounting to $1,099 (2023 - $1,244) in accordance with the leasing agreements.

At the end of the fiscal year, CNIB was owed $533 (2023 - $120) from VLRC.

(b) DBCS:

DBCS was incorporated on July 27, 2017 under the *Canada Not-for-profit Corporations Act* and commenced operations on April 1, 2018. DBCS is one of the leading providers of specialized support and emergency services for people who are deafblind. DBCS is committed to community-based services by providing intervenor services enabling people who are deafblind to live as independently as possible, and educational programs in literacy, life skills and technology. By providing these support services, people who are deafblind and their family members can have access to communication, assistance, and referrals to other community services. DBCS is a registered charity under the *Income Tax Act* (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the *Income Tax Act* (Canada) are met.

(In thousands of dollars except as noted)

13. Controlled and related not-for-profit entities (continued):

(b) DBCS (continued):

The following is a summary of the financial statements of DBCS:

	2024	2023
Statement of financial position		
Assets	$ 1,208	$ 1,170
Liabilities	829	810
Net assets	$ 379	$ 360
Statement of operations		
Revenue	$ 8,429	$ 7,893
Expenses	8,434	7,786
Excess (deficiency) of revenue over expenses	$ (5)	$ 107
Statement of cash flows		
Cash provided by operating activities	$ 1	$ 24
Net cash position	$ 925	$ 924

CNIB charged administrative services to DBCS amounting to $695 (2023 - $704) in accordance with the corporate services agreement.

CNIB charged occupancy costs to DBCS amounting to $55 (2023 - $54) in accordance with the leasing agreements.

At the end of the current fiscal year, CNIB was owed $133 (2023 - $nil) from DBCS.

(In thousands of dollars except as noted)

14. Endowment trust funds:

The Vancouver Foundation is a not-for-profit organization that receives and invests funds, and from these funds provides investment income to other not-for-profit organizations under the terms of the agreements with them or their donors. CNIB receives annual earnings recorded as support from the public from an endowment held for its benefit by the Vancouver Foundation. The capital of the fund is not available to CNIB and as such is not recorded in the non-consolidated financial statements.

During the year, CNIB received $134 (2023 - $125) from the Vancouver Foundation CNIB, B.C. - Yukon Division, Endowment Fund, which had a market value of $2,881 (2023 - $2,832).

15. Allocation of expenses:

General support expenses have been allocated as follows:

	2024	2023
Community Programs	$ 236	$ 100
National Signature Programs	730	815
Supporting other blindness organizations	2,954	3,440
Total	$ 3,920	$ 4,355

Fund development expenses are not allocated.

(In thousands of dollars except as noted)

16. Net change in non-cash working capital:

The net change in non-cash working capital balances related to operations consists of the following:

	2024	2023
Accounts receivable	$ 1,405	$ 924
Contributions receivable	(2,746)	(554)
Prepaid expenses	241	(669)
Due from/to related organizations	(546)	556
Inventories and supplies	(37)	249
Accounts payable and accrued liabilities	1,885	1,447
Change in deferred contributions - expenses of future periods (note 8)	286	(1,284)
Total	$ 488	$ 669

17. Credit facility:

(a) CNIB has a credit facility available to fund operations and capital expenditures totalling $4 million that bears interest at the bank's prime rate plus 0.25%. The amount drawn is due upon demand and is secured by a general security agreement covering all assets. In 2024, $2,549 was drawn on the credit facility at year-end (2023 - $nil).

(b) Letters of credit:

CNIB has various standby letters of credit with a financial institution totalling $246 (2023 - $246) for operations.

CNIB has a standby letter of credit with a financial institution totalling $376 (2023 - $376) to fund special contributions for its deferred benefit pension plan.

(In thousands of dollars except as noted)

18. Commitments:

Lease obligations:

CNIB has commitments with respect to operating leases for premises, vehicles and equipment. The future minimum annual commitment under these leases are approximately as follows:

2025	$	3,517
2026		2,551
2027		2,399
2028		741
2029		639
Thereafter		213
Total	$	10,060

19. Alberta reporting requirements:

The Alberta Charitable Fund-raising Act requires charitable organizations to disclose the remuneration paid to their Alberta employees whose principal duties involve fundraising. CNIB paid $86 (2023 - $87) to its Alberta fundraising employees, which is included in the fund development costs.

20. Financial risks:

(a) Interest rate risk:

CNIB is exposed to interest rate risk on its fixed rate financial instruments. Further details about the fixed rate investments are included in note 3, and CNIB has formal policies and procedures that establish target asset mix, minimum credit ratings and varying terms of the securities held. CNIB's bank indebtedness has a variable interest rate based on the bank's prime rate plus a margin. As a result, CNIB is exposed to interest rate risk due to fluctuations in the bank's prime rate.

(b) Market risk:

Market risk arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market expose CNIB to a risk of loss. CNIB mitigates this risk through controls to monitor concentration levels.

(c) Currency risk:

CNIB is exposed to currency risk arising from gains and losses due to fluctuations in foreign currency exchange rates on CNIB's non-Canadian securities. Foreign currency risk is managed through construction of a diversified portfolio of instruments in various currencies.

(d) Credit risk:

CNIB is exposed to credit-related losses in the event of non-performance by counterparties to the financial instruments. Credit exposure is minimized by dealing only with creditworthy counterparties.

21. Comparative figures:

Certain comparative figures have been reclassified to conform to the non-consolidated financial statement presentation adopted in the current year.